



General Assembly

January Session, 2007

Raised Bill No. 1260

LCO No. 4676

04676____ENV

Referred to Committee on Environment

Introduced by:
(ENV)

***AN ACT CONCERNING ALTERNATIVE FUELS AND FLEXIBLE
FUELED VEHICLES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2007*) For the purposes of sections
2 1 to 7, inclusive, of this act:

3 (1) "Biodiesel" means a fuel comprised of mono-alkyl esters of long
4 chain fatty acids derived from vegetable oils or animal fats, designated
5 B100, and meeting the requirements of designation D 6751 of the
6 American Society for Testing and Materials.

7 (2) "Qualified biodiesel producer" means a facility that produces
8 biodiesel, is registered with the state of Connecticut, domiciled in
9 Connecticut and actively engaged in the production of biodiesel in
10 Connecticut for commercial purposes.

11 (3) "Qualified biodiesel distributor" means a facility that stores and
12 distributes biodiesel, that is registered with the state of Connecticut,
13 domiciled in Connecticut and actively engaged in the storage and
14 distribution of biodiesel in Connecticut for commercial purposes.

15 Sec. 2. (NEW) (*Effective July 1, 2007*) (a) There is established an
16 account to be known as the "Connecticut qualified biodiesel producer
17 incentive account", which shall be a separate, nonlapsing account
18 within the General Fund. The account shall contain any moneys
19 required by law to be deposited in the account.

20 (b) The moneys in said account shall be expended by the
21 Connecticut Center for Advanced Technology for the purpose of
22 providing grants to qualified biodiesel producers and qualified
23 biodiesel distributors pursuant to sections 3 to 7, inclusive, of this act.

24 Sec. 3. (NEW) (*Effective July 1, 2007*) (a) A qualified biodiesel
25 producer shall be eligible for not more than sixty monthly grants from
26 the account. The Connecticut Center for Advanced Technology shall
27 determine monthly grant amounts by calculating the estimated gallons
28 of qualified biodiesel produced during the preceding month, as
29 certified by the Connecticut Center for Advanced Technology, and
30 applying such figure to the per gallon incentive credit established in
31 subsection (b) of this section.

32 (b) Each qualified biodiesel producer shall be eligible for a total
33 grant in any fiscal year equal to the following amounts: (1) For the first
34 five million gallons of qualified biodiesel produced, thirty cents per
35 gallon; (2) for the second five million gallons of qualified biodiesel
36 produced, twenty cents per gallon; and (3) for the third five million
37 gallons of qualified biodiesel produced, ten cents per gallon.

38 (c) Qualified biodiesel produced by a qualified biodiesel producer in
39 excess of fifteen million gallons shall not be eligible for a grant
40 pursuant to this section.

41 Sec. 4. (NEW) (*Effective July 1, 2007*) (a) To receive a grant pursuant
42 to section 3 of this act, a qualified biodiesel producer shall file an
43 application for such funds not later than fifteen days after the last day
44 of the month for which the grant is sought. The application shall
45 include, but not be limited to, (1) the location of the qualified biodiesel

46 producer; (2) the number of Connecticut citizens employed by the
 47 qualified biodiesel producer in the preceding month; (3) the number of
 48 gallons of qualified biodiesel produced during the month for which
 49 the grant is sought; (4) the actual costs of creating storage and
 50 distribution capacity for biodiesel during the month; (5) a copy of the
 51 qualified biodiesel producer's Connecticut registration; and (6) any
 52 other information deemed necessary by the Connecticut Center for
 53 Advanced Technology to ensure that such grants shall be made only to
 54 qualified biodiesel producers.

55 (b) The Connecticut Center for Advanced Technology shall pay all
 56 grants for a particular month by the fifteenth day after receipt and
 57 approval of the application filed pursuant to subsection (a) of this
 58 section.

59 Sec. 5. (NEW) (*Effective July 1, 2007*) A qualified biodiesel producer
 60 shall be eligible for a one-time grant pursuant to section 2 of this act to
 61 assist with purchasing equipment or constructing, modifying or
 62 retrofitting production facilities. Such grant shall not exceed three
 63 million dollars, regardless of the number of facilities owned by said
 64 qualified biodiesel producer.

65 Sec. 6. (NEW) (*Effective July 1, 2007*) A qualified biodiesel distributor
 66 shall be eligible for a grant pursuant to section 2 of this act for
 67 purposes other than to assist with purchasing equipment or
 68 constructing, modifying or retrofitting facilities. Such grants shall not
 69 exceed fifty thousand dollars for any one distributor at any one site.
 70 The Connecticut Center for Advanced Technology shall create an
 71 application process and adopt rules for the administration of this grant
 72 provision.

73 Sec. 7. (NEW) (*Effective July 1, 2007*) The management of the
 74 Connecticut Center for Advanced Technology, in consultation with the
 75 Department of Revenue Services, shall adopt rules and regulations
 76 necessary for the administration of the provisions of this section on the
 77 progress of the grant programs administered pursuant to sections 2 to

78 7, inclusive, of this act. The Connecticut Center for Advanced
79 Technology, in consultation with the Department of Revenue Services,
80 shall submit an annual report, in accordance with the provisions of
81 section 11-4a of the general statutes, to the joint standing committees of
82 the General Assembly having cognizance of matters relating to energy
83 and technology and the environment.

84 Sec. 8. Subdivision (76) of section 12-81 of the general statutes is
85 repealed and the following is substituted in lieu thereof (*Effective from*
86 *passage and applicable to assessment years commencing on and after October*
87 *1, 2007*):

88 (76) [Effective for assessment years commencing on or after October
89 1, 2011, new machinery and equipment or newly-acquired machinery
90 and equipment, including machinery] Machinery and equipment used
91 in connection with biotechnology. For purposes of this subdivision,
92 "machinery" and "equipment", and "biotechnology" shall have the
93 same meaning as in subdivision (72) of this section. Any person
94 claiming the exemption provided under this subdivision shall not be
95 eligible to claim the exemption provided under subdivision (60) or (70)
96 of this section for the same machinery and equipment.

97 Sec. 9. Section 22-26l of the general statutes is repealed and the
98 following is substituted in lieu thereof (*Effective July 1, 2007*):

99 (a) The Department of Agriculture shall establish and administer a
100 Connecticut Farm Link program to establish a database of farmers and
101 agricultural land owners who intend to sell their farm operations or
102 agricultural land. The database shall be maintained by the Department
103 of Agriculture and shall be made available to the public on the
104 department's web site. Persons interested in starting an agricultural
105 business or persons interested in expanding a current agricultural
106 business may notify the department and have their names, contact
107 information and intentions regarding such businesses placed on the
108 web site. The department shall make reasonable efforts to facilitate
109 contact between parties with similar interests, including, but not

110 limited to, growing and processing crops as feedstock for biodiesel
111 heating and transportation fuels.

112 (b) The Department of Agriculture shall post educational materials
113 regarding the Connecticut Farm Link program on the department's
114 web site, including, but not limited to, information regarding farm
115 transfer and farm succession planning, family farm estate planning,
116 farm transfer strategies, farm leasing, formation of farm partnerships,
117 growing and processing crops as feedstock for biodiesel heating and
118 transportation fuels and information regarding starting a farm
119 business.

120 Sec. 10. (NEW) (*Effective July 1, 2007*) (a) There is established a
121 biofuel crops grant program, which shall be administered by the
122 Department of Agriculture. Matching grants shall be made to farmers,
123 agricultural not-for-profit organizations and agricultural cooperatives
124 for the cultivation and production of crops used to generate biofuels.

125 (b) The Commissioner of Agriculture shall adopt regulations, in
126 accordance with the provisions of chapter 54 of the general statutes, for
127 the administration of the program established by this section.

128 Sec. 11. (NEW) (*Effective October 1, 2007*) (a) The Office of the
129 Business Advocate, in consultation with the Department of Economic
130 and Community Development shall establish and administer a
131 Connecticut biodiesel link program to establish a database of schools,
132 restaurants, institutional cafeterias and other institutions and
133 businesses in the state that produce waste vegetable oil or other
134 comparable food product suitable for conversion to biodiesel. The
135 database shall be maintained by the Office of the Business Advocate
136 and shall be made available to the public on the Department of
137 Economic and Community Development's Internet web site.
138 Businesses interested in selling their waste vegetable oil or other
139 comparable food product to producers of biodiesel heating and motor
140 vehicle fuel may notify the Office of the Business Advocate and have
141 their names, contact information and intentions regarding such

142 businesses placed on said web site. The office shall make reasonable
143 efforts to facilitate contact between parties with similar interests.

144 (b) The Office of the Business Advocate shall post educational
145 materials regarding the Connecticut biofuel link program on the
146 Department of Economic and Community Development's Internet web
147 site, including, but not limited to, information regarding the starting of
148 a waste vegetable oil business and strategies for conducting such
149 business.

150 Sec. 12. (NEW) (*Effective July 1, 2007*) (a) There is established a grant
151 program for service stations, which shall be administered by the
152 Department of Economic and Community Development to reduce or
153 eliminate the upfront costs of installing new alternative fuel pumps or
154 converting gas or diesel pumps to dispense alternative fuels.

155 (b) The Commissioner of Economic and Community Development
156 shall adopt regulations, in accordance with the provisions of chapter
157 54 of the general statutes, for the administration of the program
158 established by this section.

159 Sec. 13. Subdivision (16) of section 12-412 of the general statutes is
160 repealed and the following is substituted in lieu thereof (*Effective from*
161 *passage and applicable to sales occurring on or after July 1, 2007*):

162 (16) (A) Sales of fuel used for heating purposes (i) in any residential
163 dwelling or (ii) in any building, location or premise utilized directly in
164 agricultural production, fabrication of a finished product to be sold or
165 an industrial manufacturing plant, provided the exemption under this
166 subdivision (ii) shall only be allowed with respect to a building,
167 location or premise in which not less than seventy-five per cent of the
168 fuel used in such building, location or premise is used for the purpose
169 of such production, fabrication or manufacturing.

170 (B) This exemption also applies to (i) the renewable fuel content of
171 fuel used for heating purposes, and (ii) the purchase of equipment and

172 machinery used to store, distribute, manufacture and blend renewable
173 fuels for heating purposes.

174 (C) "Renewable fuel content" means fuels that meet the
175 specifications of the American Society of Testing and Materials
176 designation D 396, D 975 or D 6751 of not less than five per cent.

177 Sec. 14. Subsection (a) of section 12-701 of the general statutes is
178 amended by adding subdivisions (37) to (39), inclusive, as follows
179 (*Effective from passage and applicable to income years commencing on or after*
180 *January 1, 2008*):

181 (NEW) (37) "Bioheat" means a fuel comprised of biodiesel blended
182 with conventional home heating oil, which meets the specifications of
183 the American Society of Testing and Materials designation D 396 or D
184 975.

185 (NEW) (38) "Biodiesel" means a fuel comprised exclusively of mono-
186 alkyl esters of long chain fatty acids derived from vegetable oils or
187 animal fats, designated B100 (pure biodiesel), which meets the
188 specifications of the American Society of Testing and Materials
189 designation D 6751.

190 (NEW) (39) "Residential purposes" means any structure, or part of a
191 structure, in Connecticut used as a place of abode maintained by or for
192 a person, whether or not owned by such person, on other than a
193 temporary or transient basis. "Residential purposes" includes
194 multifamily dwelling units, such as multifamily homes, apartment
195 buildings, condominiums and cooperative apartments. "Residential
196 purposes" does not include the part of a structure used as a hotel,
197 motel or similar space, except for those units used by the same
198 occupant for not less than ninety consecutive days.

199 Sec. 15. (NEW) (*Effective from passage and applicable to income years*
200 *commencing on or after January 1, 2008*) (a) Any resident of this state, as
201 defined in subdivision (1) of subsection (a) of section 12-701 of the

202 general statutes, subject to the tax under chapter 229 of the general
 203 statutes for any taxable year shall be entitled to a credit in determining
 204 the amount of tax liability under chapter 229 of the general statutes
 205 equal to one cent per gallon for each per cent of biodiesel included in
 206 the bioheat purchased by the taxpayer on or after January 1, 2008, but
 207 before December 31, 2012. Said credit shall not exceed twenty cents per
 208 gallon. The bioheat shall be used for space heating or hot water
 209 production for residential purposes within the state. If a taxpayer
 210 makes more than one qualifying purchase of bioheat and the
 211 percentage of biodiesel included in the bioheat varies, said taxpayer
 212 shall calculate each purchase of bioheat separately. If two or more
 213 taxpayers share in the purchase of bioheat, the amount of the credit
 214 allowable to each taxpayer is to be prorated according to the
 215 percentage of the total bioheat purchased by each taxpayer.

216 (b) The credit allowed under this section shall not exceed five
 217 hundred dollars for each taxable year. In the case of two or more
 218 taxpayers sharing in the purchase of bioheat, the credit allowed, in the
 219 aggregate, shall not exceed five hundred dollars for each taxable year.

220 Sec. 16. (NEW) (*Effective July 1, 2007*) On or after July 1, 2007, and
 221 until June 30, 2012, fuel blends containing not less than five per cent of
 222 biodiesel shall not be subject to the tax imposed under section 12-458
 223 of the general statutes. On or after July 1, 2012, and until June 30, 2017,
 224 fuel blends containing not less than ten per cent of biodiesel shall not
 225 be subject to the tax imposed under section 12-458 of the general
 226 statutes. On or after July 1, 2017, fuel blends containing not less than
 227 fifteen per cent of biodiesel shall not be subject to the tax imposed
 228 under section 12-458 of the general statutes. For the purposes of this
 229 section, "biodiesel" shall have the same meaning as in section 1 of this
 230 act.

231 Sec. 17. Subdivision (2) of subsection (b) of section 12-587 of the
 232 general statutes is repealed and the following is substituted in lieu
 233 thereof (*Effective July 1, 2007*):

234 (2) Gross earnings derived from the first sale of the following
235 petroleum products within this state shall be exempt from tax: (A) Any
236 petroleum products sold for exportation from this state for sale or use
237 outside this state; (B) the product designated by the American Society
238 for Testing and Materials as "Specification for Heating Oil D396-69",
239 commonly known as number 2 heating oil, to be used exclusively for
240 heating purposes or to be used in a commercial fishing vessel, which
241 vessel qualifies for an exemption pursuant to section 12-412, as
242 amended by this act; (C) kerosene, commonly known as number 1 oil,
243 to be used exclusively for heating purposes, provided delivery is of
244 both number 1 and number 2 oil, and via a truck with a metered
245 delivery ticket to a residential dwelling or to a centrally metered
246 system serving a group of residential dwellings; (D) the product
247 identified as propane gas, to be used exclusively for heating purposes;
248 (E) bunker fuel oil, intermediate fuel, marine diesel oil and marine gas
249 oil to be used in any vessel having a displacement exceeding four
250 thousand dead weight tons; (F) for any first sale occurring prior to July
251 1, 2008, propane gas to be used as a fuel for a motor vehicle; (G) for
252 any first sale occurring on or after July 1, 2002, grade number 6 fuel oil,
253 as defined in regulations adopted pursuant to section 16a-22c, to be
254 used exclusively by a company which, in accordance with census data
255 contained in the Standard Industrial Classification Manual, United
256 States Office of Management and Budget, 1987 edition, is included in
257 code classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in
258 the North American Industrial Classification System United States
259 Manual, United States Office of Management and Budget, 1997 edition;
260 (H) for any first sale occurring on or after July 1, 2002, number 2
261 heating oil to be used exclusively in a vessel primarily engaged in
262 interstate commerce, which vessel qualifies for an exemption under
263 section 12-412 as amended by this act; (I) for any first sale occurring
264 on or after July 1, 2000, paraffin or microcrystalline waxes; (J) for any
265 first sale occurring prior to July 1, 2008, petroleum products to be used
266 as a fuel for a fuel cell, as defined in subdivision (113) of section 12-412;
267 [or] (K) a commercial heating oil blend containing not less than ten per

268 cent of alternative fuels derived from agricultural produce, food waste,
269 waste vegetable oil or municipal solid waste, including, but not limited
270 to, biodiesel or low sulfur dyed diesel fuel; (L) for any first sale
271 occurring on or after July 1, 2009, biofuels or biodiesel that meet the
272 specifications of the American Society of Testing and Materials
273 designation D 396, D 975 or D 6751 containing a blend of no less than
274 five per cent renewable content; or (M) for any first sale occurring on
275 or after July 1, 2009, additives to heating oil used exclusively for
276 heating purposes of any derivation used for the purposes of
277 maintaining the stability or operational performance of petroleum
278 products.

279 Sec. 18. (NEW) (*Effective July 1, 2007*) The Commissioner of Public
280 Works, in consultation with the Office of Policy and Management,
281 shall establish a program designed to encourage the use of biodiesel
282 blended heating fuel mixed from not more than ninety per cent ultra
283 low sulfur number 2 heating oil and not less than ten per cent biofuel
284 in state buildings and facilities. On or before January 1, 2008, the
285 commissioner shall prepare a plan for implementation of such
286 program which shall include, but not be limited to, (1) identification of
287 state buildings and facilities suitable for biodiesel blended heating fuel,
288 (2) evaluation of energy efficiency and reliability of biodiesel blended
289 heating fuel in such buildings and facilities, and (3) the availability and
290 feasibility of exclusively using such fuels or fuel products, including
291 agricultural products or waste yellow grease, produced in Connecticut.

292 Sec. 19. (NEW) (*Effective July 1, 2007*) (a) Notwithstanding section
293 10-266m of the general statutes, the Commissioner of Education shall,
294 within available appropriations, award grants annually to local and
295 regional boards of education to provide funds for the purchase of
296 biodiesel fuel mixed from not less than five per cent B100 biofuel for
297 school buses. For school years commencing on and after January 1,
298 2010, grants shall be awarded to provide funds for the purchase of
299 biodiesel fuel mixed from not less than twenty per cent B100 biofuel.

300 (b) The commissioner shall adopt regulations, in accordance with
301 the provisions of chapter 54 of the general statutes, to set the standards
302 for the grant program established in subsection (a) of this section.

303 Sec. 20. (NEW) (*Effective July 1, 2007*) (a) Within available
304 appropriations, The University of Connecticut Cooperative Extension
305 Service, in consultation with The University of Connecticut Biodiesel
306 Consortium and other state universities, shall develop a program to
307 enable The University of Connecticut and the other state universities to
308 serve as testing centers for biodiesel and biodiesel fuels for heating and
309 transportation and to develop quality monitoring standards that
310 comply with the standards of the American Society of Testing and
311 Materials.

312 (b) The University of Connecticut Cooperative Extension Service
313 shall, on or before February first, annually, submit a report in
314 accordance with the provisions of section 11-4a of the general statutes
315 to the joint standing committees of the General Assembly having
316 cognizance of matters relating to the environment and energy and
317 technology.

318 Sec. 21. (NEW) (*Effective July 1, 2007*) Connecticut Innovations,
319 Incorporated, shall establish a fuel diversification grant program to
320 provide funding to institutions of higher education for (1) research to
321 promote biofuel production from agricultural products, algae and
322 waste grease, fuel cell technology development and commercialization
323 and economic analysis; and (2) the development of education and
324 outreach programs.

325 Sec. 22. (*Effective July 1, 2007*) The sum of ten million dollars is
326 appropriated to the Department of Economic and Community
327 Development, from the General Fund, for the fiscal year ending June
328 30, 2008, for research and educational outreach for the fuel
329 diversification grant program administered by Connecticut
330 Innovations, Incorporated, pursuant to section 21 of this act.

331 Sec. 23. (*Effective July 1, 2008*) The sum of ten million dollars is
332 appropriated to the Department of Economic and Community
333 Development, from the General Fund, for the fiscal year ending June
334 30, 2009, for research and educational outreach for the fuel
335 diversification grant program administered by Connecticut
336 Innovations, Incorporated, pursuant to section 21 of this act.

337 Sec. 24. (*Effective from passage*) (a) There is established a task force to
338 promote the use of biodiesel fuel and explore its commercial and
339 industrial applications. Such study shall include, but not be limited to,
340 an examination of the necessary steps to: (1) Facilitate development of
341 a regional network of alternative fueling stations and encourage broad
342 public and private use of alternative fuels; (2) develop the
343 infrastructure across the states of the northeast that furthers the ability
344 of fleets and individuals to travel on alternative fuels; (3) identify
345 regional areas for the development of publicly accessible biofuel
346 stations; (4) establish working relationships with petroleum movers
347 and suppliers across the northeast to gain their cooperation to work
348 with regional fuel suppliers or retailers to turn existing access tanks or
349 pumps into public biofuel supply points or to build new systems for
350 dispensing biofuels; (5) identify necessary incentives to encourage
351 public and private use of alternative fuels and alternative fuel vehicles
352 and work to develop those incentives; and (6) maintain an information
353 clearinghouse and education center to provide information in an
354 effective manner to encourage participation by public and private
355 fleets, vehicle manufacturers, fuel producers and suppliers, retail
356 marketers and by private individuals.

357 (b) The task force shall consist of the following members:

358 (1) A representative of a motor transport association, who shall be
359 appointed by the speaker of the House of Representatives;

360 (2) A representative of the Independent Petroleum Association of
361 America, who shall be appointed by the president pro tempore of the
362 Senate;

363 (3) A representative from the construction industry, who shall be
364 appointed by the majority leader of the House of Representatives;

365 (4) A representative of the field of agriculture, who shall be
366 appointed by the majority leader of the Senate;

367 (5) The Commissioner of Environmental Protection, or the
368 commissioner's designee;

369 (6) The Commissioner of Transportation, or the commissioner's
370 designee;

371 (7) The Commissioner of Revenue Services, or the commissioner's
372 designee;

373 (8) A member of the joint standing committee of the General
374 Assembly having cognizance of matters relating to transportation, who
375 shall be appointed by the minority leader of the House of
376 Representatives;

377 (9) A member of the joint standing committee of the General
378 Assembly having cognizance of matters relating to the environment,
379 who shall be appointed by the minority leader of the Senate;

380 (10) A member of the joint standing committee of the General
381 Assembly having cognizance of matters relating to energy and
382 technology, who shall be appointed by the majority leader of the
383 House of Representatives;

384 (c) Any member of the task force appointed under subdivision (8),
385 (9) or (10) of subsection (b) of this section may be a member of the
386 General Assembly.

387 (d) All appointments to the task force shall be made not later than
388 thirty days after the effective date of this section. Any vacancy shall be
389 filled by the appointing authority.

390 (e) The speaker of the House of Representatives and the president

391 pro tempore of the Senate shall select the chairpersons of the task force
392 from among the members of the task force. Such chairpersons shall
393 schedule the first meeting of the task force, which shall be held not
394 later than sixty days after the effective date of this section.

395 (f) The administrative staff of the joint standing committee of the
396 General Assembly having cognizance of matters relating to the
397 environment shall serve as administrative staff of the task force.

398 (g) Not later than January 1, 2009, the task force shall submit a
399 report on its findings and recommendations to the joint standing
400 committees of the General Assembly having cognizance of matters
401 relating to the environment, transportation and energy and
402 technology, in accordance with the provisions of section 11-4a of the
403 general statutes. The task force shall terminate on the date that it
404 submits such report or January 1, 2009, whichever is later.

405 Sec. 25. Section 12-458f of the general statutes is repealed and the
406 following is substituted in lieu thereof (*Effective from passage and*
407 *applicable to assessment years commencing on and after October 1, 2007*):

408 On and after July 1, 1994, and until July 1, 2008, compressed natural
409 gas, liquefied petroleum gas and liquefied natural gas shall not be
410 subject to the tax imposed under section 12-458. On and after July 1,
411 2007, any diesel fuel blend containing fifty per cent or more biodiesel
412 fuel shall not be subject to the tax imposed under section 12-458.

413 Sec. 26. (NEW) (*Effective October 1, 2007*) On or after January 1, 2010,
414 all of the following vehicles or equipment, when powered by diesel
415 fuel in whole or in part, shall use a diesel fuel blend containing the
416 following minimum percentages of biodiesel fuel: (1) Transit buses,
417 twenty per cent; (2) each school bus, twenty per cent; (3) motor
418 vehicles that are registered in this state, five per cent; (4) vehicles
419 registered but not designed primarily for highway use, five per cent;
420 (5) generators that are used for part-time or emergency power, five per
421 cent; (6) railroad locomotives, five per cent; and (7) ferry boats, five per

cent. For the purposes of this section, "biodiesel fuel" shall have the same meaning as in section 1 of this act, "motor vehicle" shall have the same meaning as in section 14-1 of the general statutes and "school bus" shall have the same meaning as in section 14-275 of the general statutes.

Sec. 27. (NEW) (*Effective from passage*) The operator of a hybrid passenger car, as defined in subdivision (115) of section 12-412 of the general statutes, or the operator of a motor vehicle which is exclusively powered by a clean alternative fuel, as defined in subdivision (67) of section 12-412 of the general statutes, may operate the passenger car or motor vehicle in a high occupancy vehicle lane when the operator is the only occupant of the passenger car or motor vehicle.

Sec. 28. Subdivision (115) of section 12-412 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(115) On and after October 1, 2004, and prior to October 1, 2008, the sale of any hybrid passenger car that has a United States Environmental Protection Agency estimated city or highway gasoline mileage rating of at least forty miles per gallon. For purposes of this subdivision, "hybrid passenger car" means a passenger car that draws acceleration energy from two onboard sources of stored energy, which are both an internal combustion or heat engine using combustible fuel and a rechargeable energy storage system and, for a passenger car or light truck with a model year of 2004 or later, is certified to meet or exceed the tier II bin 5 low emission vehicle classification.

Sec. 29. (NEW) (*Effective July 1, 2007*) Any municipality may by ordinance provide for the abatement in whole or in part of personal property taxes on a hybrid passenger car, as defined in subdivision (115) of section 12-412 of the general statutes, as amended by this act, or a motor vehicle which is exclusively powered by a clean alternative fuel, as defined in subdivision (67) of section 12-412 of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2007	New section
Sec. 2	July 1, 2007	New section
Sec. 3	July 1, 2007	New section
Sec. 4	July 1, 2007	New section
Sec. 5	July 1, 2007	New section
Sec. 6	July 1, 2007	New section
Sec. 7	July 1, 2007	New section
Sec. 8	<i>from passage and applicable to assessment years commencing on and after October 1, 2007</i>	12-81(76)
Sec. 9	July 1, 2007	22-26l
Sec. 10	July 1, 2007	New section
Sec. 11	October 1, 2007	New section
Sec. 12	July 1, 2007	New section
Sec. 13	<i>from passage and applicable to sales occurring on or after July 1, 2007</i>	12-412(16)
Sec. 14	<i>from passage and applicable to income years commencing on or after January 1, 2008</i>	12-701(a)
Sec. 15	<i>from passage and applicable to income years commencing on or after January 1, 2008</i>	New section
Sec. 16	July 1, 2007	New section
Sec. 17	July 1, 2007	12-587(b)(2)
Sec. 18	July 1, 2007	New section
Sec. 19	July 1, 2007	New section
Sec. 20	July 1, 2007	New section
Sec. 21	July 1, 2007	New section
Sec. 22	July 1, 2007	New section
Sec. 23	July 1, 2008	New section
Sec. 24	<i>from passage</i>	New section

Sec. 25	<i>from passage and applicable to assessment years commencing on and after October 1, 2007</i>	12-458f
Sec. 26	<i>October 1, 2007</i>	New section
Sec. 27	<i>from passage</i>	New section
Sec. 28	<i>July 1, 2007</i>	12-412(115)
Sec. 29	<i>July 1, 2007</i>	New section

Statement of Purpose:

To implement the recommendations of the fuel diversification task force, to establish a biodiesel task force, to encourage the development of alternative fuel corridors along the interstate highway, to exempt certain biodiesel fuel from the motor vehicle fuels tax, to allow municipalities to abate property taxes on hybrid and alternative passenger vehicles, to expand the sales tax exemption on hybrid vehicles, and to require vehicles and equipment to use a certain percentage of biodiesel fuel.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]